

H.4967 Changes by Effective Date

Effective Date	H.4967 Changes
July 1, 2012	SCRS and PORS retirement allowances annually increased by 1 percent, capped at \$500; effective for July 1, 2012
July 1, 2012	<p>SCRS Current Members (Class Two Members) and New Hires (Class Three Members)</p> <ul style="list-style-type: none"> • SCRS employee contribution rate increased from 6.5 percent to 8.0 percent in 0.5 percent increments annually from July 1, 2012 to July 1, 2014 • SCRS employer contribution rate will be 10.6 percent beginning July 1, 2012, and for July 1, 2013, and will increase to 10.9 percent beginning July 1, 2014 <p>PORS Current Members (Class Two Members) and New Hires (Class Three Members)</p> <ul style="list-style-type: none"> • PORS employee contribution rate increased from 6.5 percent to 8.0 percent in 0.5 percent increments annually from July 1, 2012 to July 1, 2014 • PORS employer contribution rate will be 12.3 percent beginning July 1, 2012, will increase to 12.5 percent July 1, 2013, and will increase to 13 percent July 1, 2014 <p>SCRS and PORS Current Members (Class Two Members) and New Hires (Class Three Members)</p> <ul style="list-style-type: none"> • If additional contribution increases are required, both employee and employer contribution rates are increased to maintain a 2.90 differential between the rates • No decrease in contribution rates may be made until the System is at least 90 percent funded • Clarifies that if a member dies prior to retirement, but was eligible to retire at the time of death, the member's beneficiary may elect a retirement allowance in lieu of a lump-sum return of contributions – effective July 1, 2012 <p>SCRS, PORS, GARS, and JSRS Inactive Accounts</p> <ul style="list-style-type: none"> • No interest accrued on inactive accounts (SCRS, PORS, GARS, and JSRS) effective July 1, 2012 (interest will be paid on balance as of June 30, 2012, but not thereafter)
July 1, 2012	<p>SCRS and PORS New Hires Only (Class Three Members – Dates of Membership After June 30, 2012)</p> <ul style="list-style-type: none"> • Average Final Compensation based upon the member's five highest years of earnable compensation effective July 1, 2012 • Payments for unused annual leave no longer included in a member's AFC effective July 1, 2012 • No service credit awarded for unused sick leave at retirement effective July 1, 2012 • Eight years of earned service required for eligibility for service retirement benefits, disability benefits based upon non-work-related injuries, in-service death benefits, the ability to purchase non-qualified service credit (i.e., "air time"), etc., effective July 1, 2012

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	<ul style="list-style-type: none"> Service retirement benefit calculation remains unchanged (but see five- year AFC and no sick or annual leave)
July 1, 2012	<p>SCRS New Hires Only (Class Three Members – Dates of Membership After June 30, 2012)</p> <ul style="list-style-type: none"> Effective July 1, 2012, a member may retire if the member (1) has eight or more years of earned service; (2) has reached age 65 (or age 60 with a 5 percent reduction for each year the member retires before age 65) or has satisfied the Rule of 90; and (3) has separated from service Early retirement at age 55 with at least 25 years of service is not available effective July 1, 2012 TERI program is not available to new hires (Class Three members) effective July 1, 2012
July 1, 2012	<p>PORS New Hires Only (Class Three Members – Dates of Membership After June 30, 2012)</p> <ul style="list-style-type: none"> Effective July 1, 2012, a member may retire if the member (1) has 8 or more years of earned service; (2) has reached age 55 or has 27 years of service credit (increased from 25); and (3) has separated from service
July 1, 2012	<p>Plan Governance</p> <ul style="list-style-type: none"> Effective July 1, 2012, assumed rate of return on Retirement Systems’ investments set by General Assembly; initially set at 7.5 percent Effective July 1, 2012, Retirement Systems placed under PEBA with Employee Insurance Program. B&CB (or successor agency) retains authority to approve certain PEBA actions
November 2012	<p>GARS – New Members of the S.C. General Assembly</p> <ul style="list-style-type: none"> GARS is closed to new members. Persons first elected to the General Assembly in November 2012 or after must elect membership in SCRS or State ORP
January 1, 2013	<p>SCRS and PORS Current Members and New Hires (Class Three Members – Dates of Membership After June 30, 2012)</p> <ul style="list-style-type: none"> Effective January 1, 2013, earnable compensation does not include pay for non-mandatory overtime
January 1, 2013	<p>GARS Current Members</p> <ul style="list-style-type: none"> GARS member contribution rate increases from 10 percent to 11 percent.
January 2, 2013	<p>SCRS and PORS Current Members and New Hires (Class Three Members – Dates of Membership After June 30, 2012)</p> <ul style="list-style-type: none"> Actuarially neutral service purchase cost, effective January 2, 2013; qualified time will cost no less than 16 percent of highest salary and non-qualified time will cost no less than 35 percent of highest salary <p>SCRS Current Members and New Hires (Class Three Members – Dates of Membership After June 30, 2012)</p>

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	<ul style="list-style-type: none"> For retirements on or after January 2, 2013, a retiree may return to work after being retired for 30 days and receive a benefit subject to a \$10,000 earnings limitation; however, the \$10,000 limitation does not apply if the retiree was at least 62 years of age at retirement or has returned to certain elected or appointed positions <p>PORS Current Members and New Hires (Class Three Members – Dates of Membership After June 30, 2012)</p> <ul style="list-style-type: none"> For retirements on or after January 2, 2013, a retiree may return to work after being retired for 30 days and receive a benefit subject to a \$10k earnings limitation; however, the \$10k limitation does not apply if the retiree was at least 57 years of age at retirement or has returned to certain elected or appointed positions
January 1, 2014	<p>SCRS Current Members and New Hires (Class Three Members – Dates of Membership After June 30, 2012)</p> <ul style="list-style-type: none"> Conforms state disability standards to Social Security provisions effective January 1, 2014 <p>PORS Current Members and New Hires (Class Three Members – Dates of Membership After 2012)</p> <ul style="list-style-type: none"> Retains occupation/job specific for initial determination, but after three years, must meet disability standards of Social Security provisions. Becomes effective January 1, 2014 <p>Plan Governance</p> <ul style="list-style-type: none"> SC Deferred Compensation Commission is abolished and duties are handled by the board of directors of PEBA
June 30, 2018	<p>SCRS Current Members (Class Two Members – Dates of Membership Prior to July 1, 2012)</p> <ul style="list-style-type: none"> Participation in the TERI Program ended as of June 30, 2018 (i.e., new enrollees in the Program after June 30, 2012, must end their participation by five years after their retirement date or June 30, 2018, whichever is earlier)
	Miscellaneous
December 1, 2012 to April 15, 2013	Qualification and compensation changes to the Investment Commission; provision regarding magistrate educational requirements; studies on legislative and constitutional officer salaries and on compensation spiking in SCRS and PORS